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NOTE VERBALE DATED 1 AUGUST 1994 FROM THE PERMANENT REPRESENTATIVE OF SINGAPORE TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Representative of the Republic of Singapore to the United Nations presents his compliments to the Secretary-General of the United Nations and, with reference to resolution 917 (1994) adopted by the Security Council on 6 May 1994 regarding Haiti, has the honour to inform the Secretary-General that the following measures have been taken by the relevant agencies in Singapore to meet the obligations of the Government of Singapore as set out in the aforementioned resolution:

(a) The Singapore Trade Development Board has issued the Prohibition of Exports (Haiti) Order 1994 (see annex I*);

(b) The Singapore Marine Department has issued the Marine Circular to Shipowners No. 6 of 1994, which gives effect to paragraphs 6 and 7 of resolution 917 (1994) (see annex II*);

(c) The Ministry of Defence has instructed all Singapore Technologies companies to comply with resolution 917 (1994). The Singapore police will also prohibit the import to or export from Haiti of weapons and arms. Any shipment of weapons and arms to or from Haiti landing in Singapore will either be seized for disposal or sent back to the country of origin;

(d) The Civil Aviation Authority of Singapore will not approve applications for charter operations to and from Haiti, or for carriage of munitions of war on board aircraft destined for Haiti. It will also deny clearance of unauthorized flights overflying Singapore airspace to and from Haiti. Further, the Civil Aviation Authority of Singapore has notified the Singapore national carrier, namely Singapore Airlines, and SilkAir and relevant aviation companies to comply with resolution 917 (1994). The Authority has also sent circulars to companies approved by the Authority which are involved in the supply of aircraft or aircraft components, as well as companies approved by the

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* The texts of these annexes may be consulted in room S-3545.

Authority providing engineering and maintenance servicing of aircraft or aircraft components, advising them to comply with resolution 917 (1994);

(e) The Monetary Authority of Singapore has issued directives Circular No. BFIG 7/94 dated 27 July 1994 and Circular No. BGIF 8/94 dated 27 July 1994 (see annex III*) to banks and financial institutions to give effect to resolution 917 (1994).

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GENERAL ASSEMBLY
Forty-eighth session
Agenda item 42
THE SITUATION IN BOSNIA AND HERZEGOVINA

SECURITY COUNCIL
Forty-ninth year

Letter dated 2 August 1994 from the Permanent Representative of Bosnia and Herzegovina to the United Nations addressed to the Secretary-General

I have the honour to present to you the attached letter, dated 1 August 1994, from my President to you (see annex).

May I ask for your kind assistance in circulating this letter and its annex as a document of the General Assembly, under agenda item 42, and of the Security Council.

(Signed) Muhamed SACIRBEY
Ambassador
Permanent Representative

Annex

Letter dated 1 August 1994 from the President of the Republic of Bosnia and Herzegovina to the Secretary-General

I regret having to call your attention to the situation in the safe zone of Gorazde, which is critically deteriorating from moment to moment.

Reliable reports from the ground indicate that Karadzic's Serbs in the Gorazde region have continued to transport and concentrate manpower and heavy weapons, which are now aimed at various civilian targets.

In the past week, the aggressor has redeployed artillery and other armaments at various firing positions within the 20 kilometre exclusion zone (specifically on the right bank of the Drina River). These redeployments have been undertaken firstly from the direction of Foca, and then from Visegrad, Rogatica and Pale.

On the night of 30 to 31 July, large columns of the aggressor's tanks and motorized brigades arrived at the settlement of Kopace, which is only 2 kilometres from Gorazde.

For approximately the past 20 days, the aggressor has not allowed any international observers to access, monitor and control the area.

Concurrently, all humanitarian convoys destined for Gorazde and its surroundings have been halted.

These above actions clearly indicate that Serbian forces are preparing an attack against the safe area of Gorazde, while abusing the exclusion zone around it.

We urge you to prevent such an attack by taking all the means and measures at your disposal and in conformity with Security Council resolutions 824 (1993) of 6 May 1993, 836 (1993) of 4 June 1993, and 913 (1994) of 22 April 1994.

(Signed) Alija IZETBEGOVIC
President

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Letter dated 2 August 1994 from the Permanent Representative of the Libyan Arab Jamahiriya to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith a report on the consequences of the implementation of Security Council resolutions 748 (1992) and 883 (1993) during the period from 15 April 1992 to 15 April 1994.

I should be grateful if you would have the text of this letter and its annex circulated as a document of the Security Council.

(Signed) Mohamed Abul Gassem AZWAI
Permanent Representative

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Annex

Consequences of the implementation of resolutions 748 (1992) and 883 (1993) during the period from 15 April 1992 to 15 April 1994

The implementation of Security Council resolutions 748 (1992) and 883 (1993) adopted on 15 April 1992 and 1 December 1993, respectively, has had extremely harmful humanitarian, social and economic repercussions on the daily life of the Libyan population.

A. Humanitarian consequences

The implementation of Security Council resolutions 748 (1992) and 883 (1993) has had considerable humanitarian and social repercussions on the Libyan Arab people, particularly in the health and social security sector, which has been severely affected (medical supplies, therapeutic and preventive care, international technical cooperation). It has also had a serious impact on the functioning and maintenance of vital equipment and on all economic aspects of health and social security. These adverse consequences can be summarized as follows:

1. Impossibility of evacuating some 9,000 patients who could not be treated in Libya and should have been transported abroad by air ambulance or on board a commercial airline, in particular, where diseases were progressing or in emergency cases (including treatment of serious cardio-vascular disorders, kidney transplants, treatment of detached retinas, brain surgery and neurosurgery, spinal cord transplants, treatment of third-degree burns, cancer treatment).

2. Owing to the seriousness of their condition and the long distance over which they had to be transported, 350 of the patients who were to be transported by land to airports in neighbouring countries died en route.

3. The programme under which, inter alia, Austrian, Yugoslav, German, Swiss, French, Italian, Polish, Bulgarian professors of medicine, specialists and university and medical school lecturers had been invited to Libya could not proceed as planned. Approximately 150 professors and specialists in various medical disciplines were prevented from coming to Libya in order to treat certain difficult cases, perform delicate surgery, help administer university examinations and attend international scientific conferences and medical colloquiums which are organized in Libya from time to time.

Moreover, many Libyan doctors and professors had to abandon their plans to travel abroad in order to attend international conferences, meetings and study programmes and were thus prevented from expanding their knowledge, from participating in and benefiting from the work of these meetings and, hence, from keeping abreast of the progress achieved in today's world in various scientific fields.

4. Many foreign doctors and medical assistants had to turn down offers of employment from Libya. Thus, some 4,500 doctors and medical assistants who were

to come to Libya to work had to abandon their plans. Moreover, more than 100 doctors and medical assistants resign every month; there have been a total of 2,500 resignations thus far. These staff reductions have seriously impaired the functioning of all health services in Libya.

5. Without the necessary $10 million worth of spare parts which had been ordered, medical and electromechanical devices used at Libyan health centres could not be maintained properly. What is more, the foreign experts and technicians who were supposed to maintain them were not able to come to Libya. In most Libyan hospitals and health centres, the provision of health services was seriously impaired as a result.

6. The condition of allergy patients was aggravated by the fact that certain drugs and types of equipment essential to their treatment which had to be ordered urgently from abroad did not arrive on time. These delays were responsible for the death of some 350 infants in various Libyan hospitals and more than 150 women who had given birth, particularly after haemorrhaging.

7. The programmes that were to be carried out in cooperation with the World Health Organization (WHO) could not be implemented. Most visits by international experts and working groups sent by WHO had to be postponed or cancelled. The situation has impeded the development and the rehabilitation of the health sector, slowed down the implementation of primary health care programmes, compromised international cooperation activities undertaken in the field of health and prevented WHO from attaining its objectives under the strategy "Health for All by the Year 2000".

8. The shipment of medical supplies and their clearance through customs were delayed, as the shipping documents did not arrive on time. Moreover, the sanctions caused complications in the import and storage of serum, vaccines, blood products, hormones, laboratory reagents for the detection of AIDS and radioactive iodine. Because of the air embargo, these products had to be shipped by sea and stop in intermediate ports, and they deteriorated as a result. This happened, in particular, to poliomyelitis vaccines transported by ship. Many manufacturers are still obtaining information on the means by which to ship these products, which should only be shipped by air. The air embargo has not only caused the depletion of stocks but also slow deliveries which have resulted in waste, as certain products had expired by the time they arrived. The best example of this is the loss of much of the ocean cargo shipped by OANSSEM and TANSSEM, which specialize in the manufacture of analgesics, anaesthetics and other medicines for hospitals and health centres.

9. One hundred fifty-six orders for medicines, medical devices, equipment and medical supplies could not be filled. The articles ordered included serums, vaccines, laboratory reagents and equipment for a total value of nearly $50 million.

10. Radioactive products for identifying certain hormones - which, as it is known, must be shipped by air directly from producer to consumer countries - could not be shipped. These products, particularly a drug called Mastin, are used in the treatment of cancer.

11. Exceptionally heavy traffic has resulted in 10,200 road accidents, including 1,622 deaths, 4,220 serious injuries or disabilities for life and 3,124 minor injuries. There are 9,200 persons who need to use a wheelchair following serious accidents.

12. The Committee established by Security Council resolution 748 (1992) has been slow to grant authorization to transport patients in need of emergency treatment to other countries by air ambulance and on several occasions (as recently as 4 May 1994) prevented the evacuation of patients, which resulted in the death of many patients or caused their condition to deteriorate. There are no medical or legal grounds for such delays and refusals; they are but a reflection of the hostile position maintained by certain members of the Committee, in utter disregard of all humanitarian concerns.

13. The following are some of the difficulties confronting companies doing business with Libya:

- In an official letter dated 27 February 1993, the Austrian company VAMED ENGINEERING of Vienna (awarded a contract for a project for the delivery of equipment to the new central hospital of Tripoli) informed the Libyan authorities that the authorities of the United States of America would not authorize it to export medical equipment to Libya. The Libyan party was therefore forced to try and make other arrangements, which has, to this day, delayed the opening of the new central hospital of Tripoli;

- The Canadian company which was awarded a contract for the export of radiology equipment to Libya was prevented from doing so by the authorities of the United States of America;

- The Maltese company MEDAVIA, which specializes in emergency medical assistance, informed the Libyan authorities of the numerous difficulties confronting it as a result of pressure from a number of Western countries to stop exporting vital medical equipment to Libya.

14. The health sector experienced extreme difficulty in providing emergency services and supplying the necessary medical equipment to the Libyan rescue team which made every effort to carry out its humanitarian mission when a civil aircraft from the regular Libyan domestic airline crashed in flight between Bengazi and Tripoli. This accident, which occurred on 22 December 1992, resulted in 170 casualties. The victims were of different nationalities.

B. Economic consequences

Agriculture and stock-raising sectors

The implementation of resolutions 748 (1992) and 883 (1993) has had a disastrous impact on all the institutions, agencies, policies, plans and programmes in the agricultural and stock-raising sectors, where the losses for the period from 15 April 1992 to 15 April 1994 may be summarized as follows:

1. Stock-raising and dairy farming

- As a result of the embargo, deliveries of veterinary products from a number of European countries have been interrupted, vaccines in particular, which are especially essential, since mortality rates for non-vaccinated animals may be as high as 90 per cent;

- Samples that are difficult or impossible to identify or analyse in the field, and that are normally studied by international agencies with which the Libyan Arab Jamahiriya has had close ties of cooperation, can no longer be sent abroad;

- Deliveries of poultry, chicks and eggs for hatching, imported from the Netherlands, Belgium and France, have had to be interrupted.

The losses suffered by the stock-raising sector are worsening daily, and can be summarized as follows:

(a) Ovines and caprines

- The mortality rates for newborn lambs and kids have reached 53 per cent (4,764,000 head);

- The mortality rates for sheep and goats have reached 20 per cent (1,124,000 head). These high mortality rates have caused a drop in the production of butcher's meat (down 53,080 tons) and financial losses which are estimated at US$ 1,485,240,000.

(b) Bovines

- Mortality rates for newborn calves have reached 30 per cent (18,950 head);

- Mortality rates for heifers have reached 10 per cent (14,200 head). These mortality rates have caused a drop in the production of butcher's meat (down 5,044 tons). Financial losses from this decline are estimated at US$ 78,720.

(c) Dairy production

Dairy production has declined sharply (down 19 million litres). Financial losses from this decline are estimated at US$ 20 million.

(d) Eggs and poultry

- Production of poultry meat has dropped sharply (down 30,605 tons);

- There has also been a sharp decline in the production of eggs for consumption (estimated at about 627,150 eggs);

Financial losses from these declines are estimated at about US$ 324,914,250.

2. Agricultural production

The consequences of the embargo for this sector may be summarized as follows:

It has become impossible to import sufficient quantities of seedlings of fruit trees and wild species. These shortages have not only dealt a severe blow to forestation programmes, but have also reduced by 50 per cent the number of imported seedlings normally shipped by sea which the Libyan Arab Jamahiriya needs. The financial losses incurred are estimated at US$ 4,310,000.

Firms and individuals can no longer import ornamental plants, hybrid vegetable and plant seeds and other inputs for greenhouse production. These restrictions have led to a drop of 40 per cent in the local production of agricultural plants. The financial losses incurred from this decline are estimated at US$ 8 million.

Farmers and agricultural enterprises which have been unable to export fruits and vegetables produced locally have suffered losses amounting to US$ 274 million.

The shortage of apicultural equipment and insecticides and pesticides for use in this sector have led to a drop of 33 per cent in the number of hives in the Libyan Arab Jamahiriya. The losses caused by this decline are estimated at US$ 4,611,915, and those from the drop in honey production amount to US$ 680,678,600.

Swarms of bees ordered from abroad which were to be sent directly by air to the Libyan Arab Jamahiriya (or 50 per cent of all bee imports) have not been received.

The losses in harvests suffered by the agricultural sector may be broken down as follows:

	Production		Losses	
Product	Estimated (thousands of tons)	Actual (thousands of tons)	Quantities (thousands of tons)	Value (millions of dollars)
Wheat	255 302	118 800	135 502	29 810 440
Barley	530 904	143 800	187 104	33 304 512
Legumes	14 243	8 600	5 643	1 410 750
Alfalfa	644 648	546 936	97 712	25 698 256
Total	1 444 097	1 018 136	325 961	90 023 958

Losses in harvests estimated for 1994

Losses of 40 per cent in production are expected, which may be broken down as follows:

Products harvested	Losses (thousands of tons)	Value (millions of dollars)
Fruits, olives and dried fruits	194 142	410 415 300
Legumes and plants used in paper manufacture	411 740	617 610 000
Cereals	174 200	6 077 600

3. Forestry

The imposition of the embargo has caused considerable losses to the forestry sector, which can be summarized as follows:

- The pasture development programmes could not be carried out within the established time-frames. The losses attributable to these delays are on the order of $300,000 a year;

- The necessary fire-fighting material and equipment could not be delivered on time. The losses caused by these delays amount to $1,080,000;

- Essential agricultural equipment ordered from abroad could not be sent directly by air and had to be delivered by other routes. The financial losses attributable to these delays amount to $150,000.

4. Material and equipment essential for production

The agricultural projects which, both in the public and private sectors, have expanded very rapidly and which make constant use of imported production material, have been seriously affected by the imposition of the embargo. The losses that have resulted can be summarized as follows:

- It has been impossible to obtain certain essential high-tech equipment and installations (pumping stations, remote-control apparatus, long-distance air photography equipment). These difficulties have led to the cancellation of certain agricultural projects, hampered the implementation of other projects and prevented the development of certain land areas;

- Hydraulic and irrigation machines and installations, as well as imported spare parts for poultry and cattle farms and agricultural concerns that make use of greenhouses must be imported quickly by air in order to minimize the losses caused by delayed repairs and to maintain assembly lines;

- The assistance and know-how essential for carrying out certain projects could not be provided on time. These delays have not only hampered the smooth execution of these projects, which could not always be completed within the established time-frames, but have also entailed additional costs;

- A shortage of pesticides has led to decreased productivity;

- The interruption in the delivery of laying hens and chicks, usually sent directly by air to the Libyan Arab Jamahiriya, has increased the mortality rate and the amount of breakage and lowered hatching rates. The use of other means of transport has entailed additional costs that have forced many poultry farmers to discontinue their activities. These difficulties have lowered the production of poultry for consumption, which has resulted in shortages in local markets;

- Delays in the delivery of veterinary products, vaccines and sera have hampered the execution of vaccination programmes for the immunization of poultry and livestock against various kinds of endemic diseases, and has contributed to the re-emergence of diseases that had been believed to have been completely eliminated;

- The campaign to destroy screw-worm larvae, which was carried out by air, has had to be interrupted due to a shortage of spare parts, dusting planes, all-purpose vehicles and pesticides. These problems have hampered the application and implementation of the agreements that the Libyan Arab Jamahiriya concluded with the International Fund for Agricultural Development and the Food and Agriculture Organization of the United Nations, and which dealt with the rapid detection of screw-worm larvae as well as biological means of combating this type of pest;

- Control of imported agricultural products has had to be delayed, since inspectors of agricultural quarantine services and veterinary hygiene services have encountered difficulties in travelling to the exporter country to carry out the necessary inspections and take the required quarantine measures;

- The Libyan Arab Jamahiriya has not been able to take part in training sessions, conferences, meetings, seminars and fairs that have been held abroad, which has prevented it from taking advantage of such activities;

- Scientific journals and publications dealing with the most recent discoveries, studies and research in the fields of agriculture and zootechny, as well as other fields, have been received with great delays.

Transport and communications sector

Between 15 April 1992 and 15 April 1994 the air transport sector sustained material damage estimated to have cost some $834,637,000 as a result of the imposition of the aerial embargo. This is in addition to the damage done by the embargo to the morale of those working in the sector by, for example, making it impossible for them to keep up with technical developments in the sector. The damage sustained by air transport enterprises is summarized hereunder.

1. Libyan Arab Airlines

Libyan Arab Airlines, the national passenger carrier, sustained large-scale material and moral losses as a result of the iniquitous embargo. The suspension of air travel has lost the company some $600 million in direct revenues, as follows:

(a) There was an 85 per cent reduction in the operational use of the company's aircraft from the level prior to the embargo. In internal operations there was a 60 per cent reduction because of the linkage with air travel in general and the shortage of aircraft spare parts;

(b) The number of Libyans employed in the company's overseas offices was reduced and local employees were let go. This gave rise to the additional financial burden of compensation payments for employees amounting to some $2,100,000;

(c) Additional financial burdens were assumed as a result of the transfer of tickets to foreign companies as of 15 April 1992, thereby incurring further international clearing charges;

(d) Stocks of spare parts for the company's aircraft were run down, bringing maintenance work to a halt and taking a large number of aircraft out of daily operation;

(e) The company incurred additional financial burdens through the payment of wages and salaries to employees and of rent for company offices at home and abroad, for no financial return;

(f) Because of the prohibition on transactions involving its tickets and freight documents, the company lost its place in the Libyan market for international air transport to foreign companies;

(g) The company's air fleet could not be renewed and national technical personnel were unable to pursue their professional development, to the detriment of air safety.

2. Socialist Airport Company

The Socialist Airport Company lost amounts estimated at $42 million owing to the suspension of international air travel, as follows:

(a) The company bore the cost of employee wages and salaries and other expenditures, for no financial return;

(b) It lost the revenues it had previously obtained from service fees.

3. Light Air Transport Company

The Light Air Transport Company lost revenues estimated at $12,637,000 because spare parts enabling it to operate its aircraft in accordance with international operating standards were not available.

4. Libyan Arab Air Freight Company

The suspension of overseas activities by the Libyan Arab Air Freight Company caused a loss of revenues estimated at $156 million, as follows:

(a) The company lost revenues because of the suspension of air traffic;

(b) The company bears the cost of maintaining its aircraft, for no financial return;

(c) The company meets the cost of employee wages and salaries and other expenditures, for no financial return.

5. General Board for Civil Aviation and Meteorology

The General Board for Civil Aviation and Meteorology has sustained financial losses estimated at $24 million, for the following reasons:

(a) Payment of salaries and wages of employees and other expenditures, for no financial return;

(b) Loss of the annual revenues previously obtained from the passage of foreign aircraft through national airspace;

(c) Loss of the revenues previously obtained from take-off and landing fees and services at airports.

There have also been some unforeseen effects on air transport that are difficult to characterize in a precise manner, as follows:

(a) Internal air transport has been placed at risk by the lack of necessary spare parts, the impossibility of carrying out maintenance as scheduled and the absence of stocks of spare parts. This has increasingly led to the withdrawal of aircraft from regular daily operation;

(b) Aircrews of Libyan Arab Airlines and other Libyan companies have been prevented from training and qualifying abroad;

(c) Aircraft of Libyan Arab Airlines have been prevented from undergoing major maintenance abroad, and this has caused the withdrawal of aircraft from service and increased the cost of maintenance services at home;

(d) The inability of aircraft of Libyan Arab Airlines to use international insurance services has led to increased internal costs;

(e) Libyan air ambulance aircraft have been prevented from fulfilling their humanitarian role, while the relevant fixed and recurring costs continue to be met.

6. Surface and maritime transport and postal communications

The losses sustained by the surface and maritime transport and postal communications sector between 15 April 1992 and 15 April 1994 are estimated at $93 million, as follows:

(a) The need to charter ships to alleviate the problems of passenger traffic to and from the country has cost an estimated $36 million;

(b) The increased use of public and private passenger and freight vehicles on the roads has caused mounting damage to the public highways, raising the amount required for maintenance to more than $21 million. There are also the amounts needed to meet the general increase in maintenance costs for all means of transportation and the increased consumption of petroleum and petroleum derivatives;

(c) The impact of the aerial embargo on postal and communications services has caused appreciable delays and has required the selection of intermediary offices for the processing of mail to and from the Jamahiriya at an increased cost of some $36 million;

(d) The suspension of air mail services has affected economic and service-related activity, including the operations of banks, companies, etc.;

(e) General cargo traffic at Libyan ports has been affected by the need to provide daily passenger services. This has had adverse repercussions on services provided to freighters and has incurred such additional costs as the accelerated depreciation of ships and other items of equipment at 40 to 50 per cent above normal rates;

(f) There has been accelerated depreciation of means of surface transport such as buses and public and private passenger vehicles and of means of maritime transport;

(g) It has been extremely difficult to arrange for the transport of medicines and vaccines that require to be moved quickly by air and to be stored in appropriate conditions.

It should be stated that as a result of the aerial embargo it has been impossible for many Libyan Arab citizens wishing to perform such religious duties as the Pilgrimage and the Umrah to do so in a manner in keeping with their physical condition, which might require the use of a particular means of transport.

Industrial sector

Since the implementation of Security Council resolutions 748 (1992) and 883 (1993), the industrial sector has sustained enormous losses that are estimated to amount to 165 million Libyan dinars or nearly half a billion United States dollars. Examples of other losses and damage sustained by the sector are set forth hereunder:

(a) Suppliers of imports have been averse to doing business, and there has been a loss of confidence in companies in the industrial sector;

(b) The opening of documentary credits was suspended with the entry into force of resolution 883 (1993), by which the Council froze Libyan funds abroad that were a very important source of funding. Moreover, suppliers lack confidence in letters of guarantee issued by the Central Bank of Libya and seek to have them endorsed by other, non-Libyan banks;

(c) There is difficulty in finding the necessary maritime transport to import production inputs, and transport costs have risen for freighters coming to the Jamahiriya because of anticipated hazards and the need to utilize ships of an age greater than that contractually stipulated;

(d) The late arrival of documents relating to long-term credits have caused delay in the delivery of inputs to production. Moreover, some of the items listed in the annex to resolution 883 (1993), for example pumps of medium capacity, cannot currently be obtained or maintained. These are used to pump water to factories and are also to be considered an input to production;

(e) Ships coming to the ports of the Jamahiriya are subjected to routine searches at major ports of loading and ports of transshipment, which can prolong the time originally allowed for the delivery of items required for production. The cost of insurance has also risen and this, in turn, has been reflected in higher prices for production inputs;

(f) The supply of sources of energy for operating purposes, such as electricity and heavy oil, has fluctuated because of the embargo imposed on the importation of pumps of medium or large capacity. This has led to frequent stoppages at factories;

(g) Foreign companies have been reluctant to supply certain materials, items of equipment and spare parts for the chemical industries;

(h) The level of factory operation has declined because operating supplies imported from abroad cannot be obtained at the right time. This has hindered production by industrial companies and confronted them with difficult

alternatives, such as those of releasing workers or absorbing the costs of not doing so;

(i) Spare parts have not arrived at the time required, and maintenance experts and technicians have been reluctant to travel to the country. There have thus been hold-ups in production causing heavy losses.

The damage sustained by the programmes and plans for development and expansion that were to have been implemented in the industrial sector can be summarized as follows:

(a) The implementation of the Security Council resolutions has led to delay in the consideration of tenders, the non-arrival of samples and tenders requested before the established deadline and, frequently, even the lack of any response;

(b) In all industrial fields, the sector has been unable to assign national personnel to specialized training courses in order to upgrade their qualifications;

(c) The sector has been unable to obtain scientific and technical bulletins and periodicals published by specialist bodies world wide and has thus been unable keep pace with scientific developments in the field;

(d) The Jamahiriya has been unable to remit its contributions to international organizations and institutions, which are therefore reluctant to assign experts or provide technical assistance to the sector. The situation has reached such a pass that the country may lose its membership in some of these bodies. In this connection, we may refer to the difficulties encountered in the implementation of the country programme under the auspices of the United Nations Development Programme and our inability to begin implementation of the programme for the development of the industrial property and patents regime approved by the General People's Committee because of the impossibility of transferring the sum necessary for that purpose. It is also impossible to participate in the meetings of the Arab Industrial Development and Mining Organization despite its importance and the importance of the enterprises that it is proposed to establish in the Jamahiriya. All of this is the result, in particular, of the entry into force of the unjust resolution 883 (1993);

(e) Our overseas partner is hesitant to begin the development of local factories and production lines because of the embargo imposed on bank transfers and the fear of an exacerbation of international sanctions, and it has been impossible to begin construction of the passenger vehicle factory under our joint venture with Korea;

(f) The implementation of resolution 883 (1993) has led to the abandonment of claims by national companies against foreign companies, inasmuch as some national companies have claims against foreign companies that have arisen as a result of legal judgements. Since paragraph 8 of the aforesaid resolution provides that no claim shall lie at the instance of the Libyan authorities or any Libyan undertaking, sums have been lost that it was hoped would be used to develop production and increase productive capacity;

(g) Plans for the industrial and mining sector include the establishment of a Libyan aluminium enterprise that will use natural gas as a major source of energy. Under resolution 883 (1993), the importation by the Jamahiriya of certain equipment is prohibited and this includes equipment used for pumping natural gas. As a result, the implementation of this project has been postponed. This represents an enormous loss that deprives the Libyan Arab people of investments that yield excellent financial returns;

(h) In the cooperative sector, the start-up of many small-scale industrial activities has been impeded by the embargo imposed on financial transfers, and industrial cooperatives have therefore not been able to increase their productive capacity. Some have even suspended activities because of the unavailability of inputs to production. As a consequence, the supply of manufactured goods and goods for export by the local market has fallen and hard currency has been lost that could have been used to increase the productive capacity of the industrial cooperatives;

(i) The development bank and the commercial banks have encountered many difficulties in opening the necessary credits for production inputs for cooperatives and factories and for their expansion because of the embargo imposed on bank transfers and the difficulty of obtaining foreign currency. This has impeded the implementation of production programmes.

Financial and commercial sector

As a result of the implementation of resolutions 748 (1992) and 883 (1993), every aspect of the financial and commercial sector has been affected. The most important areas have been importation and exportation and the higher costs of overseas purchases that have led to higher prices for goods and services. This has been reflected in a drop in industrial and agricultural output and in the supply of fish to the local market.

The damaging impact on this sector and on ancillary production sectors can be summarized as follows:

(a) The quantity of agricultural produce exported has decreased owing to the shortage of production inputs and the difficulty of exporting such produce by road since it is subject to spoilage and to loss of value in the markets to which it is exported. In normal conditions, it would be flown directly from the producer to the consumer;

(b) There has been a 39 per cent drop in the quantities of fish caught and exported from the level prior to the adoption of the resolutions on the aerial embargo. It is difficult to export such produce by air, and its exportation by road or by sea takes so long that its value in consumer markets is lost;

(c) The implementation of the resolutions imposing the aerial embargo has had a direct impact on the circulation and delivery of commercial and financial documents relating to freight and of banking documents for imports and exports. This has caused delays in the receipt of goods and services as scheduled and an

increase in the cost of purchasing procedures and services that has, in turn, been reflected in higher prices in local and overseas markets;

(d) The implementation of Security Council resolution 883 (1993), by which the Council requires the freezing of the deposits of Libyan financial institutions held overseas, has given rise to a demand from the foreign correspondent banks of national banks for coverage of the credits opened for the importation of goods and services at a rate of 100 per cent of the value of such credits. This has increased the cost of purchasing and, in turn, has had the effect of raising prices in local markets;

(e) The rise in the cost of insurance on imports and exports has had the effect of increasing the cost of exported or imported goods, with a consequent loss of demand and market competitiveness.